

CITY OF SANTA FE, NEW MEXICO
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2003

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances--total governmental funds	\$ (2,577,493)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	4,482,824
The issuance of long-term debt (e.g., bonds, leases) provided current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transactions, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	8,340,250
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	137,649
Internal service funds are used by management to charge the costs of insurance and utility administration to individual funds.	(1,675,769)
The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>607,633</u>
Change in net assets of governmental activities	<u><u>\$ 9,315,094</u></u>

The notes to the financial statements are an integral part of this statement.